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BY HAND

July 10, 2002

Marlene Dortch, Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

RECEIVED

JUL 10 2002

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

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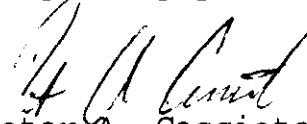
Re: Ex Parte Presentation, CC Consolidated Docket  
Nos. 99-273, 92-105 and 92-237

Dear Ms. Dortch:

Enclosed for filing are three copies of a presentation made on July 9, 2002 to Greg Cooke and Rodney McDonald of the Wireline Competition Bureau, Jared Carlson of the Policy Division of the Wireless Telecommunications Bureau and Marilyn Johnson of the Telecommunications Access Policy Division attended by Tim Timmons, President of Metro One Telecommunications, Nathan Baker, Vice-President of Metro One and Metro One's attorney, Peter A. Casciato. Addressed at the meeting were issues raised in the above-captioned dockets relating to access to both wireline and wireless innovative directory assistance service offerings, as set forth in the attachments hereto. In addition, the undersigned met briefly today with Mr. Cooke and Mr. McDonald to further discuss the points made in the attached hand-out.

Should you have any questions concerning this matter, please contact the undersigned.

Very truly yours,



Peter A. Casciato  
Attorney for Metro One  
Telecommunications, Inc.

Enclosure

Noted for filing  
Use of filing

041

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# The Case for Innovation and Competition in Directory Assistance and Information Services

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*Why 10-10 Numbers Are Appropriate  
On All Phones*

METRO *ONE*

# Our Goals

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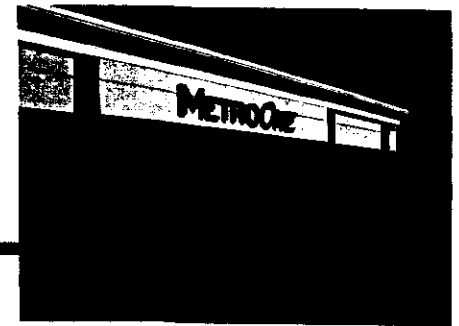


- We want to provide our innovative services directly to the public, in those cases where a carrier denied access to such services to the public.
- We want to maintain our wholesale relationship with those carriers who do choose to outsource to us (our current customers) and offer innovative services to the public.
- 10 – 10 numbers give us and other providers like us the opportunity to do so.

METRO *ONE*

# Metro One Overview

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- Founded in 1989
- Leading provider of Enhanced Directory Assistance
- High levels of service (directions, reservations, other info, personal assistant services)
- Wholesale business - wireless carriers are customers
- Over 500 million calls / year - \$250 million revenue
- Profitable and financially sound (a viable competitor)
- Distinguished Board of Directors
- Nasdaq listed

METRO *ONE*

# Metro One's Service Offerings

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- Directory assistance with category searches
- Events and movie listings/reviews
- Personal directories and calendars
- Location - directions; "find me the nearest"
- Personal assistant services and reservations
  - Restaurant
  - Hotel
  - Rental car
- Generally all voice-based - - easy for anyone to use.

METRO ONE

"One Number,  
One Bill"



## A Phone is a Phone...

- Wireless companies largely are the wireline companies
  - “One Number - One Bill” marketing
  - RFPs offer both wireless and wireline business to vendors
  - “We’re taking this ‘in-house’”
- Wireless is replacing wireline over time
- Uneven regulation gives a huge advantage to these wireline / wireless companies

METRO ONE

verizon

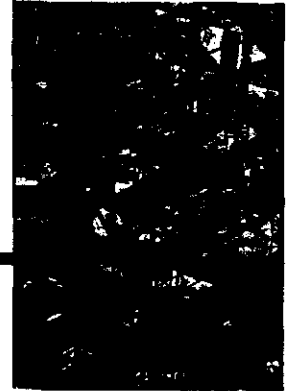
## Going Full Circle

cingular™  
WIRELESS

- Mergers undoing the breakup
- Lots of opportunity to hinder / prevent competition
- Phone companies' activities are bringing us back to:
  - high prices
  - low service levels (few alternatives, frequent automation)
  - regional monopolies
  - Lack of access to innovative services

METRO ONE

# Today's Marketplace for These Services

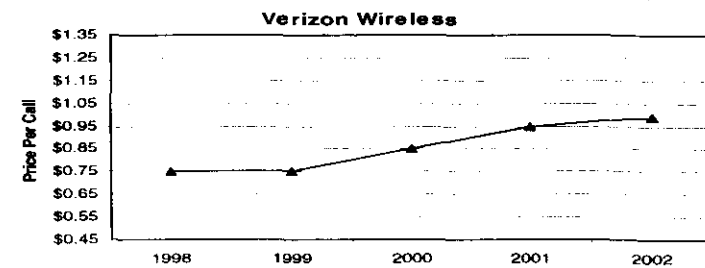
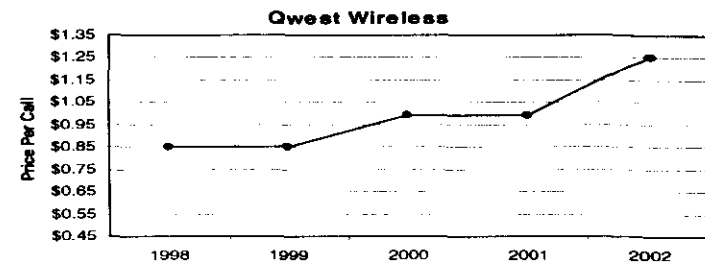
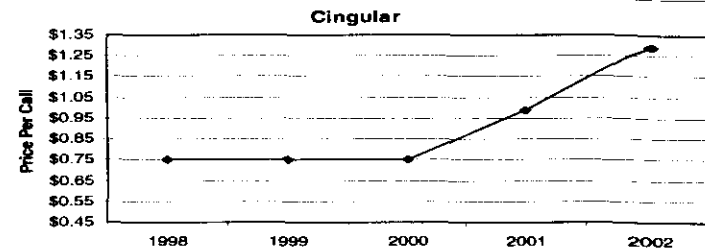
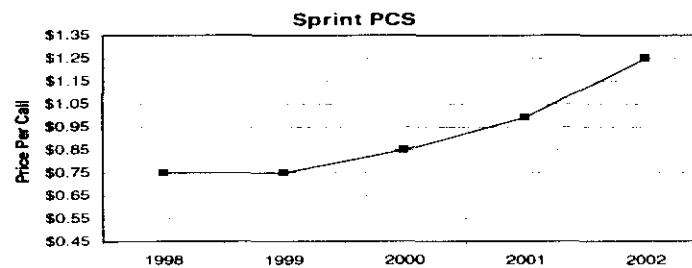
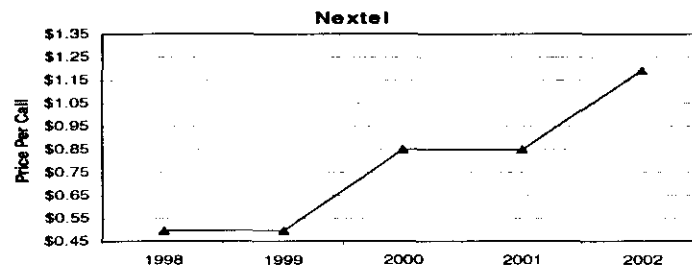
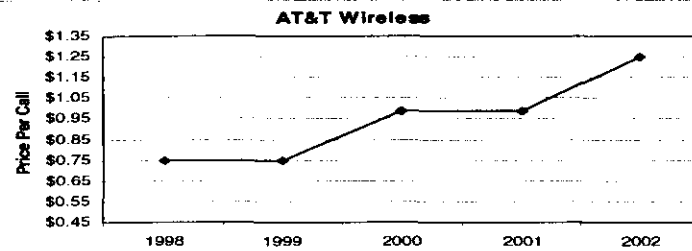


- Rising prices to retail customers
- Service, content, innovation and consumer options are suffering
- What we now offer and pricing thereof currently is controlled by carriers (high prices; fewer choices)
- Services are often used as follows:
  - Advertised to support price increases
  - Removed once product is at higher price

METRO *ONE*



# Rising Prices to the Consumer



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## What We Want...



- Offer our innovative products directly to the public
- On all phones through one access number
- We and the consumer need a *reasonable* opportunity...
  - One number - market nationally/universally
  - Fast implementation - can roll out now
  - Equal access to wireless telephone listings
  - Non-predatory pricing
- We can handle our own billing, if necessary

METRO *ONE*

# 10 -10 Numbers

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- Technologically possible - 10-10 is available now
  - On Wireline - - up and running
  - On Wireless - - requires Feature Group D or SS7 (*Wireless carriers all have this today.*)
- Economically feasible - low / no cost; already providing
- Consumer friendly
  - Easy-to-use voice services
  - Broad segments of general public - - average consumer, seniors, disabled - - denied these services on wireless

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## With 10-10, We Would Offer...



- Higher level of service
- Ease of use – *from any phone* (mobility / portability)
- Lower retail prices
- Appeals to the following:
  - Average guy (huge installed base of phones and persons who know how to use them)
  - Seniors / “lower tech” user
  - Disabled

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# Voice Services Are Most Likely to Serve Well

## THE BIG PICTURE

### USER UNFRIENDLY

The television is the least confusing of household appliances. Below, the percentage of people bothered by their:

CELL PHONE \_\_\_\_\_  
COMPUTER \_\_\_\_\_  
HOME SECURITY SYSTEM \_\_\_\_\_  
VIDEO CASSETTE RECORDER \_\_\_\_\_  
STEREO \_\_\_\_\_  
TELEVISION \_\_\_\_\_

PERCENT

ONLINE SURVEY OF 3,000 ADULTS, JAN. 10-22

Data: American Demographics, Jan. 30, 1999

METROONE

## Pre-subscription / Other Solutions

- Pre-subscription solutions promote competition and are technologically and economically correct
- But it will take a long time to sort this out for 411
- In the meantime, public / would-be providers will suffer
- 10-10 is a quick and easy, hard-to-argue-with intermediate solution that can happen *now*
- No respondent has really argued against it

# FCC Should Act Now

- Authority under Communications Act § 201, 251 & 332 (c)(8)
- Action will:
  - Foster competition among different services
  - Facilitate innovative products and services, particularly by small business and new entrants
- Wireless customer access to the DA toll carrier of their choice is being denied; unblocked access is in the public interest
  - Original premise of 10-10 numbers was to allow access to a carrier of choice when not presubscribed
  - Unblocked 10-10 access to DA carrier of choice avoids acrimonious debates over alternative 411 presubscription arrangements

METRO *ONE*

A8 THURSDAY, JUNE 20, 2002

INTERNET &amp;

## Q&amp;A

## Cingular CEO Talks About Turmoil

## Important To Reduce Churn

CEO's keeping an eye on customer acquisition costs as key profitability measure

BY REINHARDY KRAUSE  
INVESTOR'S BUSINESS DAILY

The wireless phone industry is in turmoil as subscriber growth slows. For example, Sprint PCS last week said it will add far fewer net subscribers this year than it had expected.

It's unclear which carriers will survive the industry shakeout.

Cingular Wireless stands as good a chance as any, says Chief Executive Stephen Carter.

With 21 million subscribers, it's the second-biggest U.S. wireless carrier after Verizon Wireless.

Cingular is a joint venture of regional Bells SBC Communications and BellSouth Corp.

Carter last week spoke with IBD about industry trends.

**IBD:** Analysts say six national wireless players, plus many regional ones, are too many. If there's no consolidation, do carriers face dire prospects?

**Carter:** It depends on the capital markets to some extent.

If the capital markets reward irresponsible behavior, then that scenario could come about.

But I suspect that capital markets

are sending a strong signal that they don't want to invest in loss-making companies that show no promise of making a profit.

You'll see (companies) starting to act more rationally.

They'll have to price services at a point where they can make a return. Economics will sort this out one way or another.

There are some companies that can't afford to continue giving away things at a loss.

**IBD:** Analysts point to VoiceStream Wireless as being the price leader. Will VoiceStream keep it up?

**Carter:** It's really not so much VoiceStream as a question of its parent company's (Deutsche Telekom) desire to gain market share.

**IBD:** Deutsche Telekom is still largely government-owned. Will the results of the German election later this year have any effect on its U.S. strategy?

**Carter:** There's a lot of speculation (that election results) could change (DT's) policies toward their overall financial position. But I'm not the expert.

**IBD:** The Federal Communications Commission is drawing up new guidelines for wireless industry mergers. Any concerns?

**Carter:** It's not clear what they're looking at.

We're hopeful that, with the spectrum cap going away, the focus is on speeding up merger reviews

## Stephen Carter



■ CEO, Cingular Wireless

■ 49 years old

■ Master's degree, City of London business school

rather than setting conditions that have to be met.

What we've seen is that FCC review periods can get long.

It's our hope that if they draw up guidelines, they set a deadline by which they need to make a decision.

**IBD:** Are antitrust issues the main hurdle to consolidation?

**Carter:** It depends on who the players are. There are many combinations available that wouldn't create antitrust issues. There are some that might.

**IBD:** Some U.S. senators are pushing for a national spectrum policy so airwaves could be reallocated. Would Cingular support that?

**Carter:** There needs to be a stepping back from the (current) situation of looking at each auction, or band of spectrum, on a case-by-case basis.

An authority needs to look at positions of the (TV) broadcasters, the satellite users, the wireless carriers, the Defense Department, schools, churches, everybody that's involved.

We need a plan not only for North America, but globally as well. There's little point in creating spectrums (blocks) here that are vastly different than other places in the world.

If the U.S. armed forces are using bandwidths that in other countries are allocated for commercial wireless, that's not good either.

To look at it from a global perspective would be extremely useful.

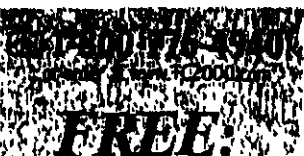
**IBD:** Cingular has forged network-sharing deals with AT&T Wireless Inc. and VoiceStream. Yet some analysts say your spectrum holdings are the weakest of the big six carriers.

**Carter:** To say weakest is probably

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## TECHNOLOGY

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## In The Wireless Telecom Industry

“There needs to be a stepping back from the (current) situation of looking at each auction, or band of spectrum, on a case-by-case basis.”

Stephen Carter

a little unfair, at least when you consider Nextel's position. Excluding (Nextel), I would agree that on average we have the lower end of (spectrum). Typically, AT&T has the largest amount of spectrum.

Does that affect us on a day-to-day basis for the next few years? No, not really. But for us to move to UMTS (advanced, next-generation system), it would be an issue.

IBD: Sprint PCS and Verizon seem to be ahead of other carriers in rolling out higher-speed data networks. How much of a competitive edge will they get?

Carter: We have GPRS (a stepping-stone technology) available in about 30% of our markets. It'll be in 50% by year-end.

They're looking at maybe a year lead in some markets. (The advantage) is very limited. When you get to 3G (more advanced data networks), then you see large increases in data speeds that will allow for new applications.

When you talk about 1X speeds (as per the ongoing network upgrades at Sprint PCS and Verizon), that really helps with e-mail and some other stuff.

By the time consumers are ready to embrace more complex applications, all the carriers will be in more or less the same position.

I don't think anyone is seeing huge volume growth out of their 1X networks. They may have bragging rights that it's up and running.

IBD: Cingular is owned by two local phone companies. Does its strategy differ from Sprint PCS, AT&T or Nextel, which aren't Bell-owned?

Carter: We see a huge potential for bundling products (wireless, local, long distance, Internet). It doesn't detract from our ability to compete

as a wireless carrier. But it enhances our ability to compete in the corporate space and some consumer segments.

IBD: Does the strategy differ when it comes to getting users to substitute wireless phones for landline phones?

Carter: Probably Sprint does think about substitution of long-distance calls by wireless.

Most long-distance companies would admit that the wireless industry has taken quite a lot of (minutes away).

IBD: What about replacing second lines going into homes?

Carter: What we see is that where teen-agers earlier may have had a second or third line in a bedroom, now they'd rather have a wireless phone.

People are still wedded to landline phones for all sorts of reasons, including Internet hookups.

IBD: Does Cingular stand a better chance to survive an industry shake-out because it's owned by regional Bells?

Carter: Having two world-renowned companies as our owners

is a huge advantage when it comes to stability.

At the end of the day, we have to convince the banks we're a viable company to lend money to.

We have to be financially responsible, with a balance between growth and a return on capital.

IBD: Cingular garners lower average revenue per customer than most rivals. Can it still be more profitable than rivals because of other factors?

Carter: There may be some carriers growing net (subscribers) faster than us that would rather have our customer base and profitability.

In 2000, everyone grew substantially. In 2001, it tapered off. In 2002, there's definitely a slowdown in new subscribers coming into the market.

The key for us is not to lose customers. We need to reduce our churn.

The key to profitability is how much it costs to get a customer and how long you keep them.

I don't think (average revenue) as a metric on its own is a good way of looking at profitability. It's just one guide.

## Tech Analysis

IBD scans its database for leading technology stocks. Unless otherwise indicated, prices are Tuesday's closes.

